

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

5

W-01537A
SHEPARD WATER COMPANY
~~P.O. BOX 2899~~ STAR Route 4, Box 41
~~GILBERT AZ 85299-2899~~ YUMA AZ 85365

ANNUAL REPORT

FOR YEAR ENDING

12 31 2001

FOR COMMISSION USE

ANN04 01

Processed by:

5-14-02 am

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Shepard Water Company

Mailing Address Star Route 4, Box 41
(Street)

Yuma
(City)

AZ
(State)

85365
(Zip)

928 783-9589
Telephone No. (Include Area Code)

928 782-3360
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address Info@martinezlake.com

Local Office Mailing Address Same
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: JOHN GUTH President
(Name) (Title)

Star Route 4, Box 41
(Street)

Yuma
(City)

AZ
(State)

85365
(Zip)

928 783-9589
Telephone No. (Include Area Code)

928 782-3360
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address Info@martinezlake.com

On Site Manager: Mike Whitford
(Name)

Star Route 4 Box 41
(Street)

Yuma
(City)

AZ
(State)

85365
(Zip)

(928) 783-9589
Telephone No. (Include Area Code)

(928) 782-3360
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Wade Noble

(Name)

1405 W. 16th St

(Street)

Yuma

(City)

AZ

(State)

85364

(Zip)

(928) 343-9447

Telephone No. (Include Area Code)

(928) 343-9443

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Wade Noble

(Name)

Same

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☒ YUMA

☐ STATEWIDE

COMPANY NAME

Shrewsbury Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	708	-	708
302	Franchises	2708	-	2708
303	Land and Land Rights	250	-	250
304	Structures and Improvements	2257	1480	777
307	Wells and Springs	4424	4424	-
311	Pumping Equipment	9512	7459	2053
320	Water Treatment Equipment	2630	2630	-
330	Distribution Reservoirs and Standpipes	8141	7942	199
331	Transmission and Distribution Mains	5796	5796	-
333	Services	7205	7205	-
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	879	4	875
340	Office Furniture and Equipment	509	42	467
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	442	442	-
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	45461	37424	8037

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Shepard Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	708	—	
302	Franchises	2708	—	
303	Land and Land Rights	250	—	
304	Structures and Improvements	2257	4.75%	107
307	Wells and Springs	4424		—
311	Pumping Equipment	9512	4.92%	468
320	Water Treatment Equipment	2630		—
330	Distribution Reservoirs and Standpipes	8141	4.91%	400
331	Transmission and Distribution Mains	5796		
333	Services	7205		
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	879	4.6%	4
340	Office Furniture and Equipment	509	8.33%	42
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	442		
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	45461		1021

This amount goes on Comparative Statement of Income and Expense Acct. No. 403

COMPANY NAME

Shepard Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,961	\$ 29,482
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2,581	733
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	23,547	14,791
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 28,049	\$ 45,006
	FIXED ASSETS		
101	Utility Plant in Service	\$ 50,106	\$ 45,401
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	40,316	37,424
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 9,790	\$ 8,977
	TOTAL ASSETS	\$ 37,839	\$ 53,983

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME

Shepard White Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 90277	\$ 34720
232	Notes Payable (Current Portion)		15280
234	Notes/Accounts Payable to Associated Companies	15280	
235	Customer Deposits		
236	Accrued Taxes	234	
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		362
	TOTAL CURRENT LIABILITIES	\$ 106452	\$ 50362
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 106452	\$ 50362
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,000	\$ 1000
211	Paid in Capital in Excess of Par Value	3,904	16091
215	Retained Earnings	65,709	4415
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 69,613	\$ 2681
	TOTAL LIABILITIES AND CAPITAL	\$ 37,869	\$ 53043

COMPANY NAME

Shepard Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 3205	\$ 25
460	Unmetered Water Revenue	37051	47258
474	Other Water Revenues	750	920
	TOTAL REVENUES	\$ 41006	\$ 48203
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 4200	\$ 162
610	Purchased Water		
615	Purchased Power	905	951
618	Chemicals		
620	Repairs and Maintenance	800	2097
621	Office Supplies and Expense	2300	1139
630	Outside Services	21558	10283
635	Water Testing	2101	531
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	2287	2872
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	440	
675	Miscellaneous Expense	507	5415
403	Depreciation Expense	1643	1021
408	Taxes Other Than Income	582	370
408.11	Property Taxes	1404	761
409	Income Tax		50
	TOTAL OPERATING EXPENSES	\$ 38843	\$ 25624
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		49317
426	Miscellaneous Non-Utility Expenses	1565	(10515)
427	Interest Expense	18948	
	TOTAL OTHER INCOME/EXP	\$ <17383>	\$ 38802
	NET INCOME/(LOSS)	\$ 15220	\$ 61351

COMPANY NAME

Shepard Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME

Shepard Water Company

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-606951	5 hp	30	8	2
55-606952	5 hp	30	8	2

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
1251-2		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 7,176

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1251-2			

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5000	1	5000	1

STATISTICAL INFORMATION

Total number of customers 222

Total number of gallons sold 6,955,200 gallons

COMPANY NAME Shepard Water Co YEAR ENDING ~~12/31/01~~ 9/30/01
INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported NONE
Estimated or Actual Federal Tax Liability NONE

State Taxable Income Reported NONE
Estimated or Actual State Tax Liability NONE

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5/14/02
DATE

JOHN CUTH
PRINTED NAME

President
TITLE

COMPANY NAME Shepard Water Co YEAR ENDING 12/31/2001

ARIZONA CORPORATION
COMMISSION

WATER AND SEWER
UTILITIES ONLY

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PROPERTY TAXES

Director of Utilities

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 761

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

ARIZONA CORPORATION
COMMISSION

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MAY 14 2002

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	YUMA	Director of Utilities
NAME (OWNER OR OFFICIAL)	JOHN GUTH	TITLE
COMPANY NAME	Shepard Water Company	PRESIDENT

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 51,235.71

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3032.76
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED,


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29th DAY OF



NOTARY PUBLIC NAME	Donna Wood
COUNTY NAME	YUMA
MONTH	March
YEAR	2002

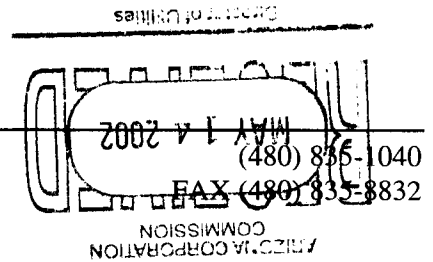
X 
SIGNATURE OF NOTARY PUBLIC

[illegible]



James E. Raftery, CPA, PC

606 N. Stapley Drive
Mesa, Arizona 85203

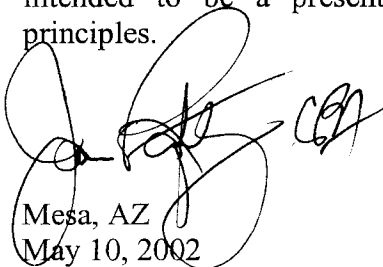


To the Board of Directors
Shepard Water Company
Yuma, AZ

I have compiled the special-purpose balance sheet of Shepard Water Company as of December 31, 2001 and the related special-purpose statement of income for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying special-purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying special purpose financial statements were prepared for the purpose of complying with the Arizona Corporation Commission Utilities Division, and are not intended to be a presentation in conformity with generally accepted accounting principles.



Mesa, AZ
May 10, 2002